



Burnham

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Ventura County Community
College District

ASCC Insurance Committee Meeting

September 6, 2018



ASCC Insurance Committee Meeting

- 1) Review of Current Benefits, Rates and Enrollment
- 2) Items to Explore
 - a. Tiered Rates: 3-Tier & 4-Tier
 - b. Limited Network Options
 - c. Retiree Medicare Supplement Plan
 - d. Dental & Vision Self-Funding
 - e. Dependent Audit
 - f. Marketing the Benefits

Review of Current Benefits & Enrollment



Anthem

	Anthem Blue Cross Current / Renewal
Anthem Blue Cross PPO - ASCC	
Deductible (individual / family)	\$200 / \$600
Out of pocket maximum (individual / family)	\$1,700 / \$5,100
Office visit copay (PCP / specialist)	\$20
Inpatient hospitalization	No charge
Prescription drugs	\$10 / \$30 / \$50

Monthly Premium = \$1,743.44

Employee Classification	# Enrolled
Anthem Blue Cross PPO	
Active Employees	336
Retirees Under Age 65	60
Retirees Over Age 65	
With Medicare A	43
With Medicare A&B	154
With Medicare and Dep No Medicare	20
Without Medicare	75
Total Enrolled	688

Kaiser

	Kaiser Current / Renewal
Kaiser HMO - ASCC	
Deductible (individual / family)	None
Out of pocket maximum (individual / family)	\$1,500 / \$3,000
Office visit copay (PCP / specialist)	\$20 / \$30
Inpatient hospitalization	No charge
Prescription drugs	\$10 / \$20 / \$20

Monthly Premium = \$1,277.32

Employee Classification	# Enrolled
Kaiser HMO	
Active Employees	186
Retirees Under Age 65	
Retirees Over Age 65	
With Medicare A	
With Medicare A&B	
With Medicare and Dep No Medicare	
Without Medicare	
Total Enrolled	XX?

Items to Explore: Tiered Rates



Tiered Rate Examples

Current Monthly Premium = \$1,743.44

EXAMPLE

3-Tier Rates

<i>Employee Only</i>	\$768.00
<i>Employee + 1</i>	\$1,494.00
<i>Employee + 2 or more</i>	\$2,092.00

4-Tier Rates

<i>Employee Only</i>	\$768.00
<i>Employee + Spouse</i>	\$1,594.00
<i>Employee + Child(ren)</i>	\$1,307.00
<i>Employee + Family</i>	\$2,254.00



Anthem Limited Network Options

- 1) PPO Select Network – Limited network of PPO providers who participate in the Select PPO network.
 - a) Reduced premium
 - b) No disruption in Hospital access
 - c) Provider access varies from Full-Network

Anthem Medicare Advantage & Supplement

Medicare Advantage Plans, sometimes called "Part C" or "MA Plans," are offered by private insurance carriers approved by Medicare. **Retirees get Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage from the Medicare Advantage Plan and not Original Medicare.** Rate Example = \$225.00

Medicare Supplement Plans, sometimes called "Part F", are offered by private insurance carriers approved by Medicare. **Retirees get Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage from Original Medicare.** Most claims are covered at 80% by Original Medicare and the Supplement pays remaining 20%.

Rate Example = \$386.00

Items to Explore: Dental & Vision Self-Funding



Example School District Dental Renewal Analysis October 1, 2017

	DeltaDental Fully-Insured	DeltaDental Self-Funded
		Proposed
Combined monthly premium	\$90,336	\$64,957
Combined annual premium	\$1,084,032	\$779,489
Annual relationship to current \$		(\$304,543)
Relationship to prior/current %		-28.1%
Rate guarantee	1 year	1 year
Total Enrollment	941	
Reserves Held By		District
Total Paid Claims		\$60,828.30
Paid Claims PEPM		\$64.64
Delta Admin Fee (% of claims)		5.86%
Total Admin Fee PEPM	Fully Insured	\$3.79
CSDC Eligibility Admin Fee (PEPM)		\$0.60
Consulting Fee (PEPM)		\$0.00
Total Cost PEPM		\$69.03
Total Billed PEPM	\$96.00	\$69.03



What is a dependent audit?

What is a Dependent Audit?

A Dependent Audit is a systematic method of verifying the eligibility of dependent participants in a benefits pool to identify ineligible dependents and remove them from the benefits plan.

The average dependent with benefits costs U.S. employers over \$3,000 each, and spousal dependents regularly average \$5,000 or more. Because of the high cost of offering benefits to dependents, employers across America have embraced dependent eligibility audits to ensure they only incur costs for legitimate, eligible dependents.



Example Dependent Audit Results

CalPERS - 2014 Audit Results

4,851 subscribers voluntarily removed 6,722 dependents. This translated into savings and claims cost avoidance of more than \$41 million to CalPERS and their employers

8,940 ineligible dependents were disenrolled. This translated into savings and claims cost avoidance of more than \$64.7 million to CalPERS and their employers

Items to Explore: Marketing the Benefits



Marketing Timeline Example



Centralia Elementary School District

Marketing Timeline

- I. **CSEBA Initial Notification – March 31, 2017**
Final Notification – June 30, 2017
- II. **Decide on what Carrier/Pool you would like to go to market**
 - Direct Carriers (Anthem Blue Cross, Blue Shield, Cigna, Aetna, Health Net, United Healthcare, Kaiser)
 - School Pools (CVT, SISC, CSEBA, VEBA, CalPERS)
 - Group Insurance 101 training
- III. **Gather CESD Data**
 - Employee/Retiree Census
 - Plan Summaries/Contracts
 - Rates (Current + 3-5 year history)
 - Employee/Employer Contributions
- IV. **Go To Market with our RFP (Request For Proposal)**
 - By March 1st 2017 or sooner
- V. **Marketing Process**
 - Carriers/Pool request 4-5 weeks to provide a quote
 - Burnham will need time to scrub the quotes and prepare a marketing report (2 weeks)
- VI. **Present Marketing Report to CESD**
 - No later than April 15, 2017
 - Decide on the top 2 most competitive quotes
 - Interview the top 2 carriers/pools